



Insurance for Voluntary Party Liability Exemption (VPLE) Sites Using Natural Attenuation

Information and Fee Schedule

PUB-RR-661

Fact Sheet 13

March, 2005

The Voluntary Party Liability Exemption (VPLE) process allows eligible parties that conduct an environmental investigation and cleanup of a property to receive a Certificate of Completion (COC). A COC limits future environmental liability.

If a voluntary party is relying on natural attenuation to restore groundwater quality, and they want to receive a COC prior to achieving compliance with the enforcement standards, they are required to pay an environmental insurance fee. This insurance fee is in addition to the required VPLE application and oversight fees.

Environmental Insurance Fee

Chapter NR 754, Wis. Adm. Code, describes the environmental insurance requirements that voluntary parties (VP) must comply with for sites where the VP elects to rely on natural attenuation as a final remedy. This rule requires voluntary parties seeking a COC to obtain environmental insurance through a state program to cover the cleanup cost of the site should natural attenuation fail.

How Do I Receive a COC Using Natural Attenuation?

In order to meet the insurance requirements, you must do the following:

- after investigation and cleanup is complete, submit a request for case closure;
- if the department determines that the conditions for closure are met, submit an application form and the appropriate insurance fee to the DNR Madison office; and
- when it has been determined that all the requirements have been met, the department will issue a Certificate of Completion pursuant to s. 292.15(2)(ae)(3), Wis. Stats.

Frequently Asked Questions

Does every site need to get the insurance?

If a party wants to obtain a Certificate of Completion for a site relying on natural attenuation before groundwater enforcement standards are met, they are required to obtain this insurance. If a voluntary party does not want to pay the insurance fee, another option would be to continue monitoring contamination at the site, wait until groundwater enforcement standards are met, and then apply for the COC or to ask for a site closure letter instead of a COC.

What does the insurance policy cover?

The state has entered into a master insurance policy to provide security for the state when issuing a Certificate of Completion for sites relying on natural attenuation. If the site needs to be re-opened due to the failure of natural attenuation, the insurance will cover certain state cleanup and investigation costs, if those are incurred at the site.

Will the state's insurance cover third party claims?

No, the insurance policy is only available for the state to cover cleanup expenses and does not provide coverage for the property owner for potential claims by a third party. A voluntary party may choose to obtain their own separate insurance on the private market if they are concerned about the risk of third party claims.

Do I have to participate in the state's master policy, or can I get my own insurance policy?

To obtain a COC, when relying on natural attenuation at a site, a voluntary party must obtain insurance under the state's master policy. The insured party under the master policy is the state of Wisconsin. The voluntary party may obtain their own additional insurance policy, but it does not replace the required VPLE insurance.

After the one-time fee, will I need to do anything to continue insurance coverage?

No, the one-time payment of the insurance fee is all that is necessary to obtain the required insurance





coverage. The voluntary party will not be required to pay for any of the deductible if a claim is made in the future.

How does the insurance work?

The voluntary party and any successors or assignees are protected from future liability under the spill law (s. 292.15, Wis. Stats.) after the Certificate of Completion is issued. If the department suspects that natural attenuation has failed, the department may choose to use the insurance to finance further investigation or cleanup at the property. The voluntary party will not have to file a claim or pay any additional costs if the department determines that natural attenuation has failed.

Will the fees change?

The department will publish a fee schedule every year. Fees apply to the date that the COC is issued, not the date requested. Please consult this schedule on page 3 to determine the most current fees.

How are fees calculated?

Fees are based on the size of the property and the former use of the property. Please see the current fee schedule on page 3 for size ranges, former use descriptions and current fees. Based on the information submitted, DNR will make a determination as to the appropriate fee.

How do I determine the size of the property?

The size of the property is the total combined acreage of a single, legally defined parcel, or multiple contiguous legally defined parcels, subject to a combined investigation and remedial action approved by the department, for which one or more Certificates of Completion will be issued.

For example, a former heavy industrial site was divided into two legally defined parcels, 3 acres each, and the investigation and cleanup of the two parcels were conducted together. In this case, the combined size of the property would be 6 acres, so one fee of \$18,293 would be required (see page 3) and the department would issue two Certificates of Completion.

What if a property had more than one former use?

If a property had more than one former use, the highest fee is required. For example, if you have a property that was used as a farm and then was used as a chemical manufacturing facility, you would need to pay the fee for the property's use as a Heavy Industrial Property (see former use definitions on page 3-4).

Contacts and More Information

For more information, contact the DNR project manager assigned to your site, or Michael Prager, Land Recycling Team Leader, at (608) 261-4927, michael.prager@dnr.state.wi.us.

Other helpful department publications include:

- *Fact Sheet #2: Voluntary Party Remediation and Exemption from Liability*, publication # RR-506; and
- *Voluntary Party Liability Exemption Insurance Application*, Form # 4400-224

To order these and any other publications, or to find out more information about the Remediation and Redevelopment Program, see the DNR's web site at: <http://dnr.wi.gov/org/aw/rr/>

Legal Disclaimer

This document may contain some information about certain state statutes and rules but does not necessarily include all of the details found in the statutes/rules. Readers should consult the actual language of the statutes/rules to answer specific questions.

Disability Disclaimer

The Wisconsin Department of Natural Resources provides equal opportunity in its employment, programs, services, and functions under an Affirmative Action Plan. If you have any questions, please write to Equal Opportunity Office, Department of Interior, Washington, D.C. 20240

This publication is available in alternative format upon request. Please call 608-267-3543 for more information.

Voluntary Party Liability Exemption Insurance Fees

MARCH 5, 2005 TO MARCH 5, 2006

Pursuant to s. NR 754.11(3), Wis. Adm. Code, the department has published this schedule of insurance fees. This published schedule of fees applies to voluntary parties receiving a Certificate of Completion from March 5, 2005, until March 5, 2006. Please see below for information describing property use and size.

| PREVIOUS USE OF PROPERTY | TOTAL ACREAGE OF PROPERTY | |
|--------------------------------|---------------------------|-------------------|
| | 0 to 4.99 acres | 5 acres and above |
| Residential | \$5,276 | \$6,271 |
| Agricultural | \$9,474 | \$11,271 |
| Commercial | \$10,060 | \$11,932 |
| Light Industrial | \$12,298 | \$14,578 |
| Heavy Industrial | \$16,144 | \$19,153 |

Former Use Definitions:

Agricultural Properties include: dairy, pig, turkey, fish and chicken farms, ranches, agricultural services, forestry services, granaries and grain and seed cooperatives.

Residential Properties include: homes, townhomes, condominiums and apartment buildings. If a dry cleaning operation with an on-site plant is or was located in an apartment complex, then the site is deemed a light industrial property.

Commercial Properties include: sites that provide business and retail services that have never been utilized for any type of fabrication, manufacturing, mining or waste management activity. Examples of commercial property include shopping centers, strip malls, retail and wholesale businesses, gasoline stations, hospitals, nursing homes, medical offices, non-chemical product warehouses, educational services, museums, motion picture and film processing locations, lumber yards, auto sales dealers, communication services, TV stations and office complexes.

Light Industrial Properties include: chemical warehouses, food product preparation plants, textile mill product manufacturing firms, furniture and fixture manufacturing, tobacco manufacturing, leather goods fabrication, dry cleaners that had a dry cleaning plant on premises, fabricated metal products, electric and electronic equipment (computers, semi-conductor , lighting, etc.), instruments and related scientific test equipment, consumer good manufacturing, and printing and publishing activities.

Heavy Industrial Properties include manufacturing of chemical and allied products; rubber and related products (tire inner tubes, rubber footwear, etc.); lumber and wood products; stone, clay,

and glass products; primary metal industries (blast furnaces, primary and secondary metal reclaiming and foundries); machinery (generators, engines, construction equipment, etc.); foundry fill and flyash landfills; salvage yards; manufactured gas plant sites; electroplating facilities; wastewater treatment facilities; military sites and bases; railyards; transportation equipment (autos, etc.); paper and allied products (pulp mills, paper mills, wood treating firms); leather tanning; petroleum, coal, aggregate, and metal mining extraction and related services; fuels storage; utilities; pipeline operations; refining of petroleum or its derivatives; waste disposal, transfer and treatment (including landfills, incineration, recycling, reclamation, land treatment, and underground injection, and midnight dumping); and agricultural chemical manufacturing, blending, mixing, storage; and distribution of fertilizers, pesticides, insecticides, and fungicides.